

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6848**

**BILL NUMBER:** HB 1081

**NOTE PREPARED:** Mar 16, 2009

**BILL AMENDED:** Mar 12, 2009

**SUBJECT:** Rental Property Foreclosure Notices.

**FIRST AUTHOR:** Rep. Day

**FIRST SPONSOR:** Sen. Lubbers

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Owner Noncompliance*- The bill authorizes a tenant to bring a civil action if the owner or former owner does not comply with the notice provisions, and provides that a tenant who terminates a rental agreement early in compliance with the statute does not forfeit the damage deposit due to the early termination, but may still be liable for actual damages. The bill specifies that the notice provisions do not apply to: (1) an action in which the plaintiff states in the complaint that the foreclosure will not affect the rights of a non-defaulting tenant; and (2) real property where a receiver has been appointed. The bill makes conforming amendments.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) *Owner Noncompliance*- A tenant could file a civil action against either a property owner or landlord for not providing proper notice under the bill.

*Court Fee Revenue:* If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts.

**Information Sources:**

**Fiscal Analyst:** Chris Baker, 317-232-9851.